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ABSTRACT

Linking employers with educational institutions in order to improve education and educate students who can do jobs is important in the Philippines. Program linkages include the following: (1) industry involvement in policy formation through employer groups on education boards; (2) regional and provincial education boards having private industry representatives; (3) promotion of the dual training system as the preferred mode of technology-based education and training; (4) an apprenticeship program that expects industry employers to prioritize training needs; (5) Supervised Industrial Training that promotes closely monitored on-the-job training; (6) close partnerships among nine Industry Training Boards and industry associations that foster the capability of the private sector to train employees; and (7) resource sharing to conduct the National and International Skills Olympics. Although these efforts are praiseworthy, cooperative efforts between public training institutions and employers have been difficult to establish. Lack of incentives and lack of capability on both sides of the relationship make cooperation difficult. Problems include weak information links with employers, the school systems' lack of resources for developing curriculum, and the sometimes poor quality of training. Close cooperation between employers and training institutions is critically important to developing the information needed for training of all kinds. (KC)

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PARTNERSHIP WITH BUSINESS AND INDUSTRY: TECHNICAL VOCATIONAL EDUCATION IN THE PHILIPPINES

by

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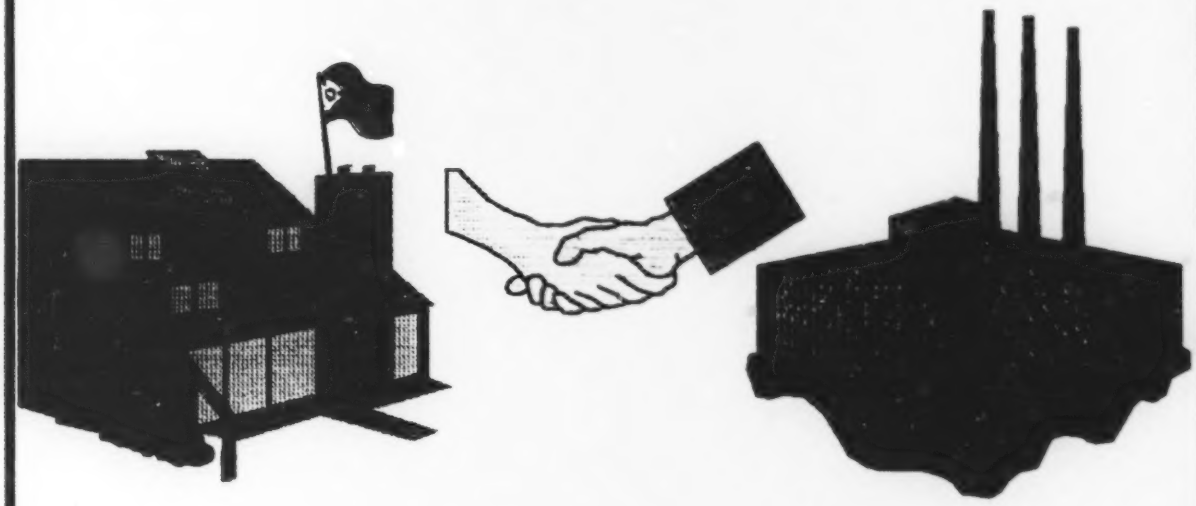

IVETA CONFERENCE & AVA ANNUAL CONVENTION
Cincinnati, Ohio
December 5-8, 1996

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GREETINGS

It is a distinct honor and privilege for me to be invited to participate in the "IVETA Conference and AVA Annual Convention". May I take this opportunity to commend the organizers for coming up with this Conference. We primarily support this kind of activity as this gives us a chance to touch base with our partners in the sector, especially with regard to elucidating our current directions and thrusts to achieve unity and cooperation in technical education and vocational training program implementation.

For my part, I am happy to be given the opportunity to speak on the topic of Linkages with Business and Industry for Vocational Education and Training in the Philippines. Allow me the liberty of adopting the title "Improving Links with Employers" for my discussion this afternoon.

I intend to inventory programs and describe each effort to link up with industry, otherwise known as end-users or employers.

Let me begin with a definition of topic: LINKAGE. Webster defines linkage as: the manner or style of being fitted together or united. So, I take it to mean that you want to examine ways and means by which the educator may be fitted together with their customers, the employers. The Encyclopedia of Science and Technology adds that linkages are used to transmit power and information. I believe that we also want this transmission of power and information in our developing relationships with our end-users.

Now, let me list each linkage program and describe each:

1.) In policy formulation, industry is involved because employers groups are represented on the TESDA Board. This linkage is formed in order to evolve policies that are user-led or market-oriented.

2.) In operations, we have caused the organization of the TESD Committees at the regional and provincial levels. These committees mirror the composition of the TESDA Governing Board in which the private sector has the greater number of seats, the better for a more balanced policy formulation diffused to all stakeholders.

3.) At the program level, we are now promoting the Dual Training System as the preferred mode of technology-based education and training. This system requires the relationship between training providers and end-users to be so close as to become a full partnership.

4.) The Apprenticeship Program expects industry or employers to prioritize those occupations that are critical and to inform the training providers so that they can respond by adding new technologies and constricting others which may not be needed at a given time.

5.) The Supervised Industrial Training or On-the-Job Training fosters close collaboration especially in the in-plant portion of the training course.

6.) TESDA also maintains close partnerships with the nine Industry Training Boards and various recognized industry associations in order to build-up the capability of the private sector to manage and undertake training of their employees on their own.

7.) In the conduct of the National and International Skills Olympics, the providers and end-users share resources in this undertaking.

Do these efforts suffice? Can we say that industry is now a full partner of the school and/or centers?

Cooperation between public training institutions and employers has been difficult to establish in the public training system. Two fundamental problems --- lack of incentives, and lack of capability --- lie at the heart of the issue. These operate on both sides of the relationship. Training institutions are accountable to a government ministry, and then only for routine administration; effectiveness in placing trainees in jobs is rarely a criterion for obtaining either a larger budget or promotion.

Experience in World Bank projects suggests that links are more effective when several mechanisms are used together. For example, placement services linked to advisory committees and instructor visits to enterprises have been more effective than any one of those approaches on its own. Creative school managers, given sufficient autonomy, can be adept at setting up a network of supportive relationships with employers.

IMPROVING LABOR MARKET SIGNALS AND INCENTIVES

To improve the efficiency of skills training, planners must not overlook the importance of the economic environment and the signals it provides that guide individual and enterprise investments in skills development. The fact that vocational graduates cannot get jobs may be due to inappropriate curricula, lack of practical training, or other matters within the control of a training system, but it may also be due to distortionary economic

policies about which the system can do little. Without the discipline of a competitive economic environment, there is little reason a priority to expect schools and training centers to be efficient on their own initiative. Thus, a competitive economic environment is necessary for the efficient allocation of resources for skills development.

In competitive market economies, movements in wages and employment signal changes in the demand for and supply of, particular skills and trades. The careful monitoring of these signals by manpower planners is one way to identify trends in the demand and supply of skills.

Labor market signaling requires planners to focus on education and training qualifications rather than on occupational classifications. Perhaps the weak link between skills specialization and occupational placement provides the most important reason to focus on education and training qualifications in manpower planning. A study of the Philippine labor market found that, among those employed, only 73 percent of the recent graduates in applied science and only 47 percent of the liberal arts graduates were actually working in their field of specialization.

This is important because the resource allocative mandate of TESDA in Section 21 RA 7796 provides that "all government and non-government agencies receiving financial and technical assistance from the government shall be required to formulate their respective annual

agency technical education and skills development plan. The budget to support such plans shall be subject to review and endorsement by the Authority to the Department of Budget and Management." The review and endorsement of agencies' budget shall begin with the 1998 budgeting exercise. In allocating training resources, the important point to be considered is how particular training program affects productivity, not how the program affects occupational placement. Instead of emphasizing occupations in the allocation decision, as manpower requirements forecasting does, labor market signaling emphasizes economic outcomes, measures in terms of wages, employment, and the costs of specific education and training programs.

Training is also likely to be more efficient if manpower and economic planning activities are integrated so that the economy and training incentives are more fully aligned.

COMMON CONSTRAINTS — WEAK INFORMATION LINKS WITH EMPLOYERS

Improving the match between the size and occupational distribution of employment demand on the one hand and the volume and content of training on the other depends crucially on information links. When these links are strong and dynamic, pre-employment training can be cost-effective. When they are weak or absent, institutional inertia, compounded by resource weakness,

can lead to routine programs that are increasingly divorced from employment reality.

INSTITUTIONAL LINKS.

Furthermore, systems and institutions with few resources, little capacity to develop curricula, and rigid controls on curricula are unable to respond to information from employers, even when it is available, or to establish job placement services or dual training arrangements. Regulations often do not allow public training institutions to retrain revenue from training contracts. Employers find little reason to invest time or resources in collaborating with training institutions that are unable to respond to their needs. This indifference increases when the quality of training is poor. And many firms, especially small ones, have neither the resources nor the appreciation of the value of training to participate effectively.

IMPROVING LINKS WITH INDUSTRY

Close cooperation between employers and training institutions is critically important to developing the information needed for training of all kinds. Cooperation can take many forms, but all on the strong commitment from the government to a real and substantial role for private employers. This commitment is embodied in the statues governing the training system, but it is implemented through allocation of resources to the process of

cooperation. At a minimum this means building the capability of individual training institutions to undertake cooperative efforts.

Vocational guidance and placement services in schools, colleges, and training centers are a first element in building links with employers. These need not be elaborate to be effective. Aptitude testing as practiced in some developing countries, for example, is much less important than training managers and staff regularly in methods for working with employers to find out what jobs are available, and obtaining feedback on the performance of graduates. The head of a technical college in Mauritius, for example, has had considerable success in placing students in jobs by posting job opportunities he has learned about in visits to local employers on a bulletin board near the entrance to his school. Job fairs, which bring students and prospective employees together, have been effective in many countries. In countries with underdeveloped employment services, there is every reason for schools and centers to take on this responsibility --- even though in some countries, such as Thailand, bureaucratic regulations have made it difficult for schools to do so.

Involving employers in the design of curricula is especially important in industries subject to rapid technological change. Advisory and curriculum committees have had mixed success but perform best when training institutions are able to make the adjustments employers want. Such committees may also work best

where dual training systems exist because employers and training institutions must jointly design and implement training programs. Enterprise associations can strengthen links between small firms and training institutions. Research in the United States has found that at the junior college level, instructors develop the best links with employers on matters of curriculum and job placement. Skilled workers who teach part-time can provide another link.

MEETING THE NEEDS OF DIFFERENT SKILLS MARKETS. Responsiveness improves when training institutions develop specialized expertise for, and institutional linkages with different skills markets. Institutions have a natural advantage in serving local industries. Specializing in cluster of related occupations, however, or in sects of the economy, is also possible, depending on the size of markets and the capacity of individual training institutions. Both approaches have been followed in Korea. Enterprise have been encouraged to manage vocational schools to meet local needs. As the economy has changed, clusters of technical schools in high demand have been identified for curriculum reform and specialization in such areas as precision machining, chemical industries, and information sciences.

Specialization is a viable option when modern sector employment is large enough to create sufficient specialized demand. In smaller economies training institutions must

serve several markets to generate the business needed to achieve reasonable scale economies in their operations.

Specialization is strategic skills is an important role for selected post-secondary technical institutions. By definition, both the technology and training expertise for these skills are found primarily in industry. Dual training systems, which rely on schools and colleges to provide basic technical education courses and on establishments to provide specific occupational training, are an efficient way not only to overcome shortages of instructors, but also to share operating costs and expertise in curriculum development.

Another option for vocational schools is to train skilled workers in core occupations --- such as secretary, bookkeeper, motor mechanic, and maintenance electrician --- that are in demand throughout the economy. To be cost-effective, however, the training system must be able to hire qualified instructors, to monitor training outcomes, and adjust enrollments and courses as demand changes.

LINKING EMPLOYMENT TRAINING TO JOBS

When unemployment is high, training programs for young people who have left school are generally more effective if they are part of job creation policies and programs. Incentives strategies include promoting labor-intensive industries, reducing the cost of labor relative to capital, and institution labor market policy reforms to

increase employer flexibility and lower the cost to employers of job creation. Training can play an important role in these strategies, but only if it is flexible, efficient, and linked to job opportunities.

These policies move the task of identifying clients and employment opportunities --- and consequent training needs --- to local levels where information is most readily available. National policy is implemented through the structure of grant allocations and through accountability measures. In the United Stated, for example, block grants are allocated for three general purposes: training for adult and youth unemployed, retraining for adult workers dislocated by economic change, and training for the socially and economically disadvantaged.

CONCLUDING STATEMENT

I have enumerated areas where linkaging will get better support from various stakeholders, but especially from the employers. We believe that success will depend largely on your commitment, resourcefulness and your ability to move various key players toward the same objective to produce a highly skilled technical workforce. We hope to see more collaborative arrangements and partnerships after this Conference, to prove that something happened here for the good of our constituents,

In closing, allow me to convey my congratulations to the organizers, and most especially to the participants for an eventful, fruitful and meaningful Conference.

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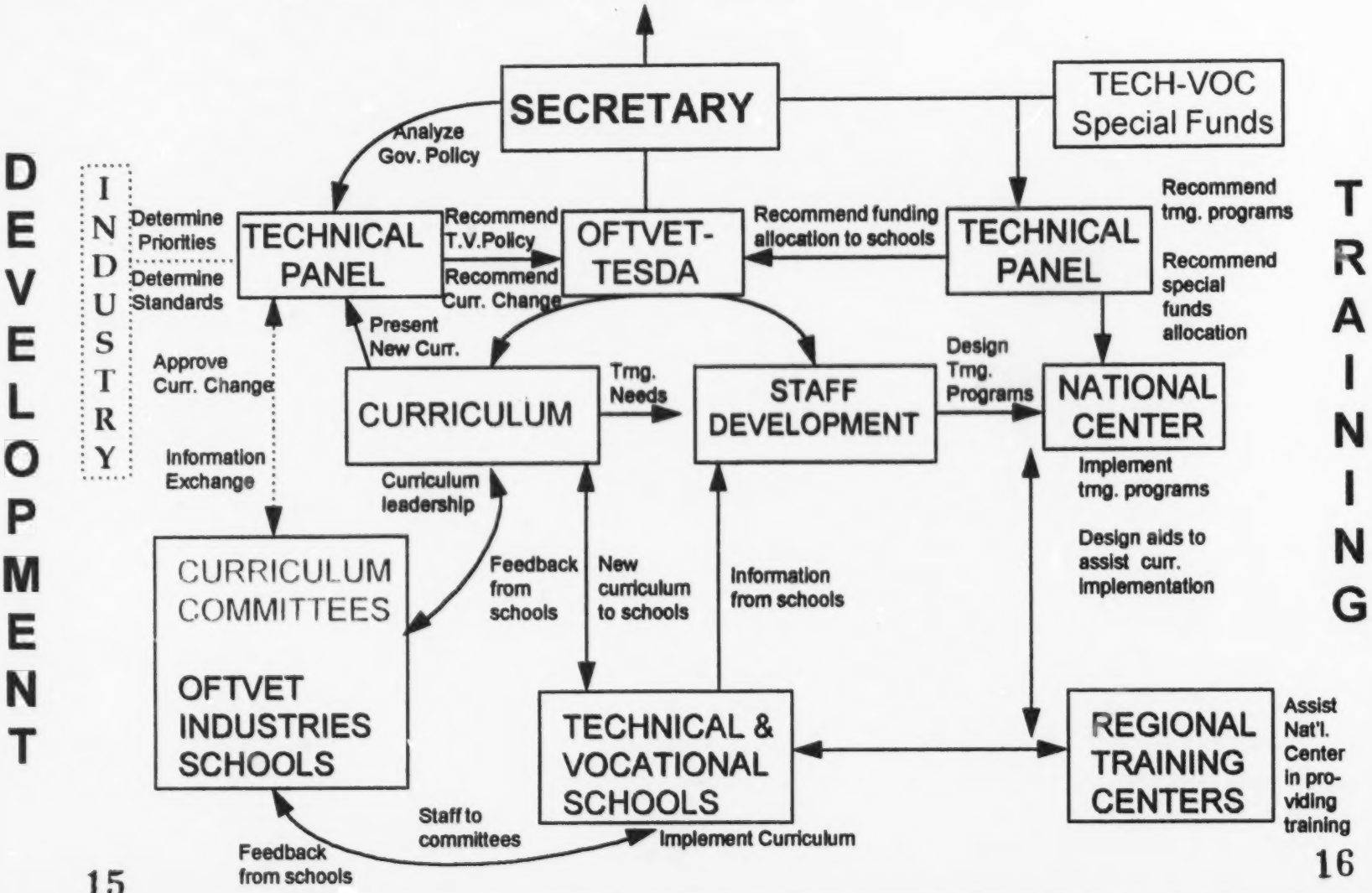
*Model No. 1 - **Policy Formulation in Program Development***



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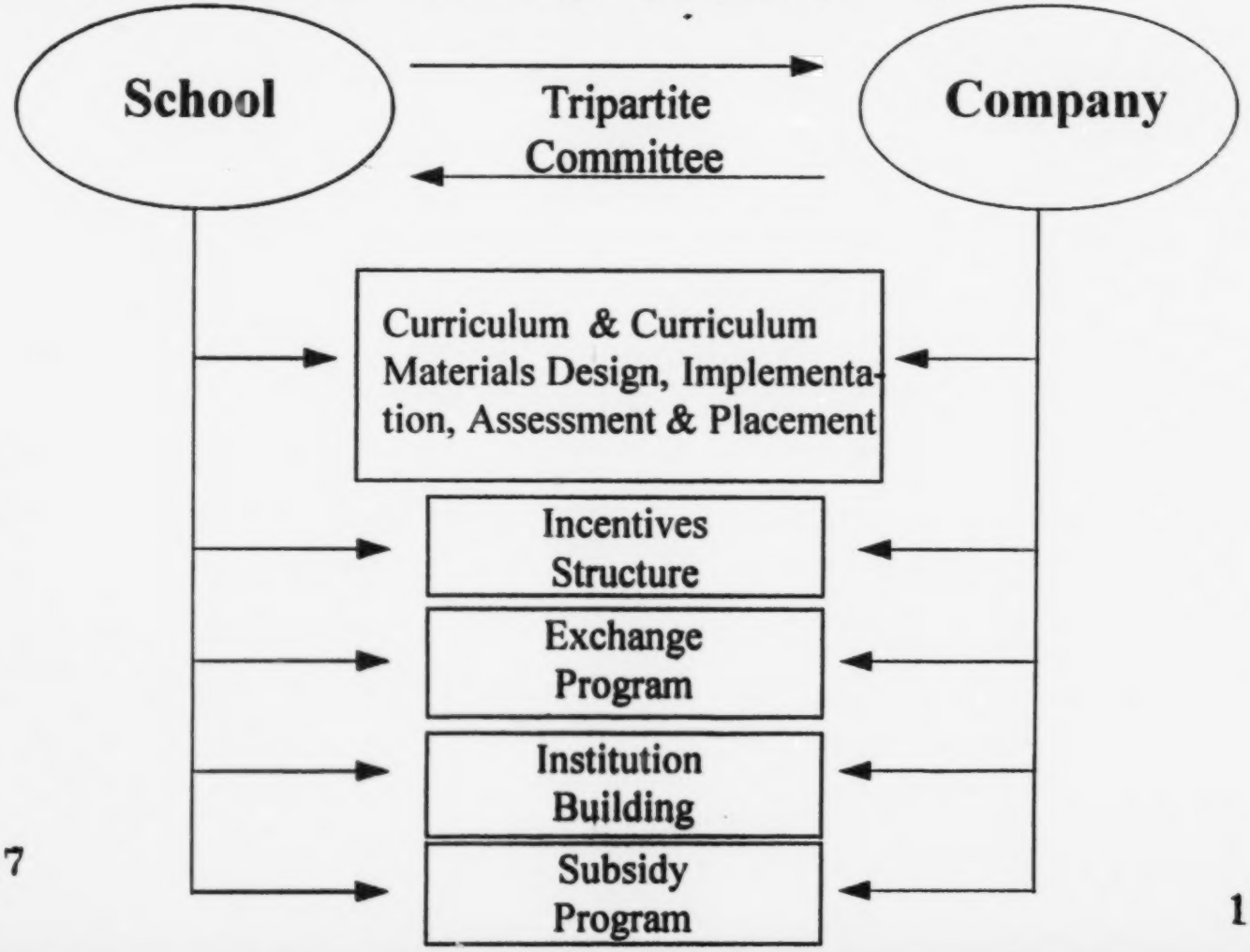
*Model No. 2 - **Dual Training System (DTS)***



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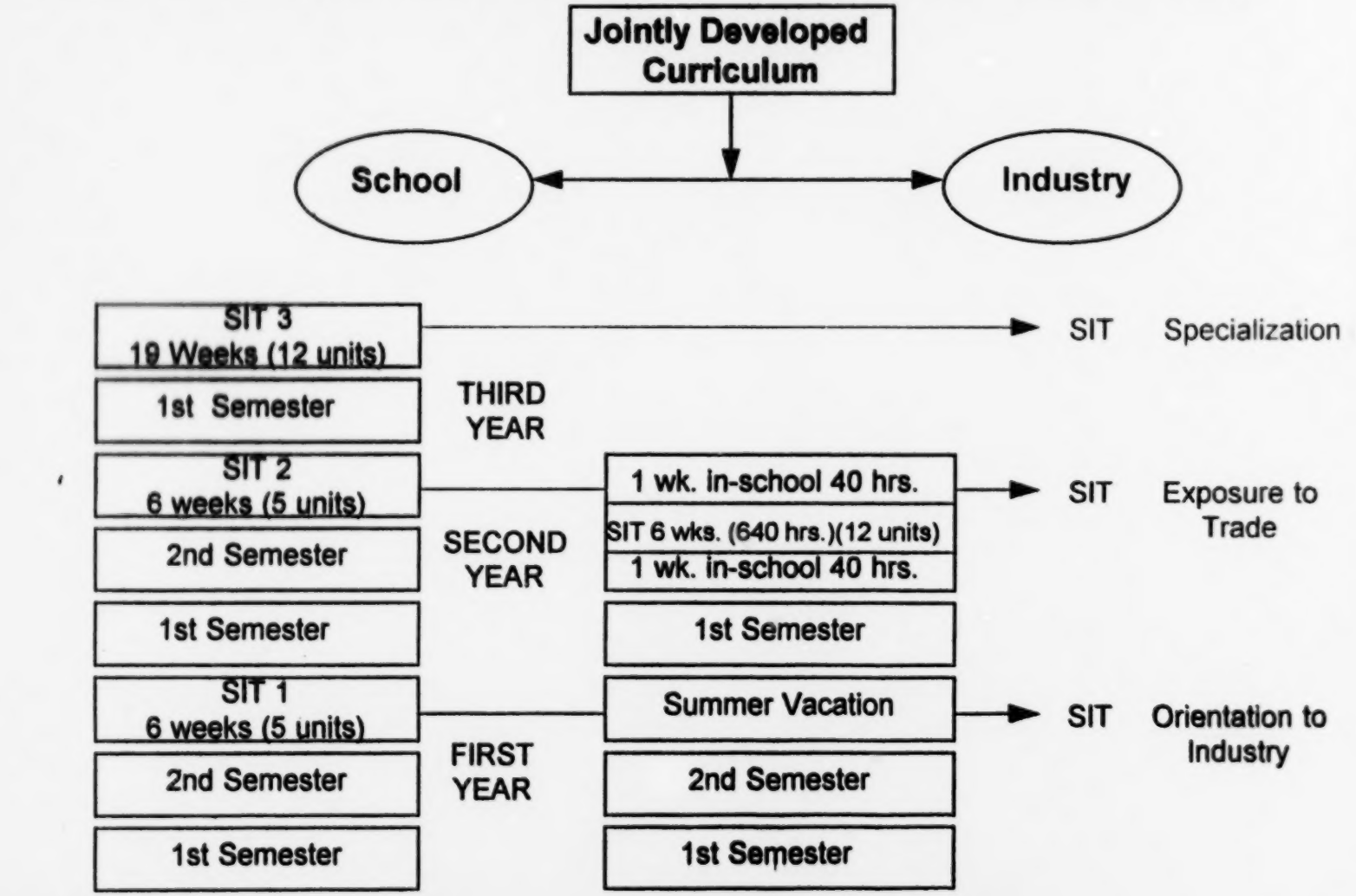
Model No. 3 - ***Supervised Industrial Training (SIT) (Plant Level)***



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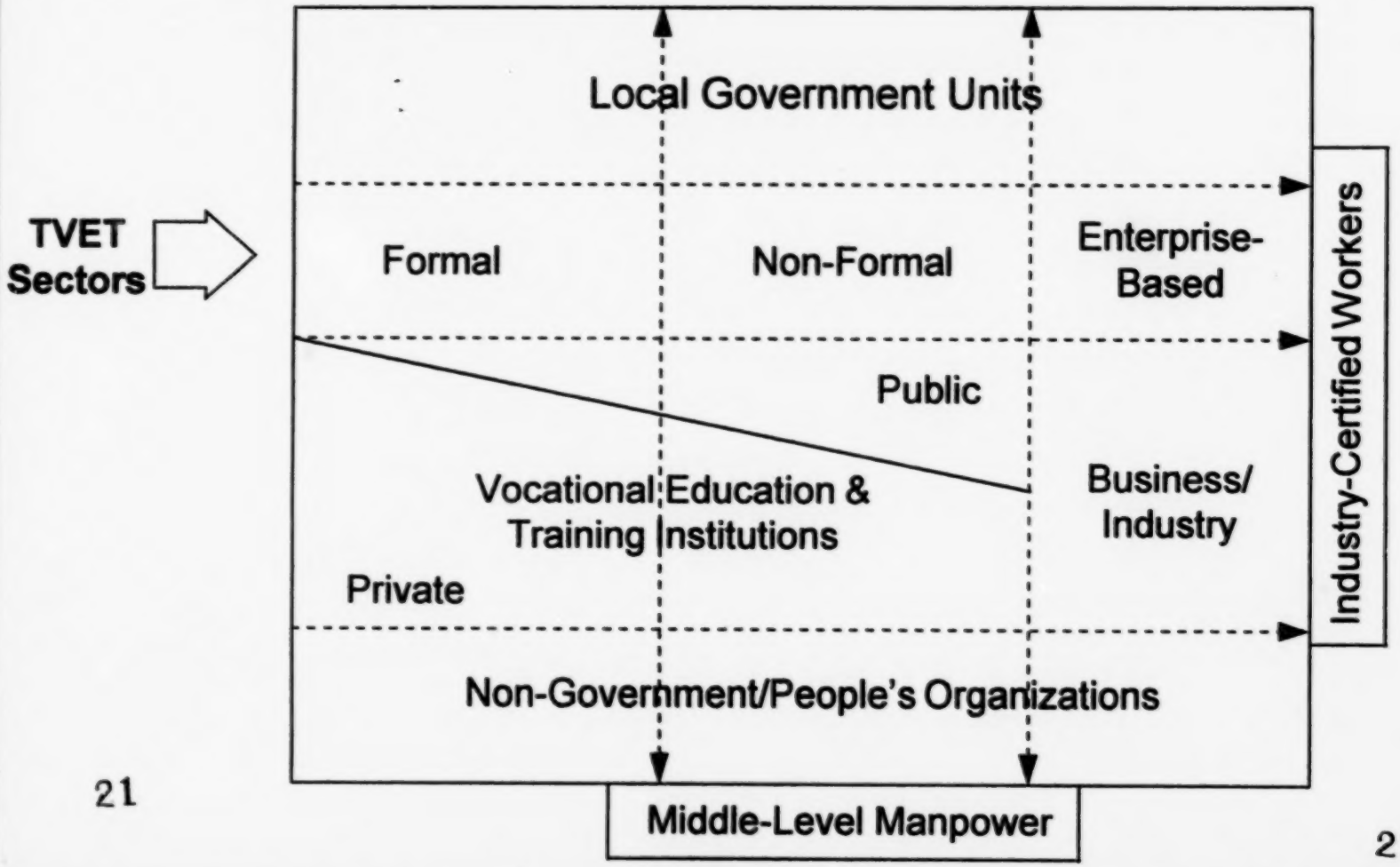
Model No. 4 - ***Non-Government Organizations (NGOs)***



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*Model No. 5 - **Traineeship***

SOURCES OF INPUTS FOR TRAINEESHIP

TRAINEESHIP PROCESS

OUTPUT

1. Experts Committee - Curriculum Workshop
2. Unemployed trained by TESDA-OFTVET
3. Employed laborer w/out any formal training
4. Employed helper/Jr. level in one craft , to acquire another craft